

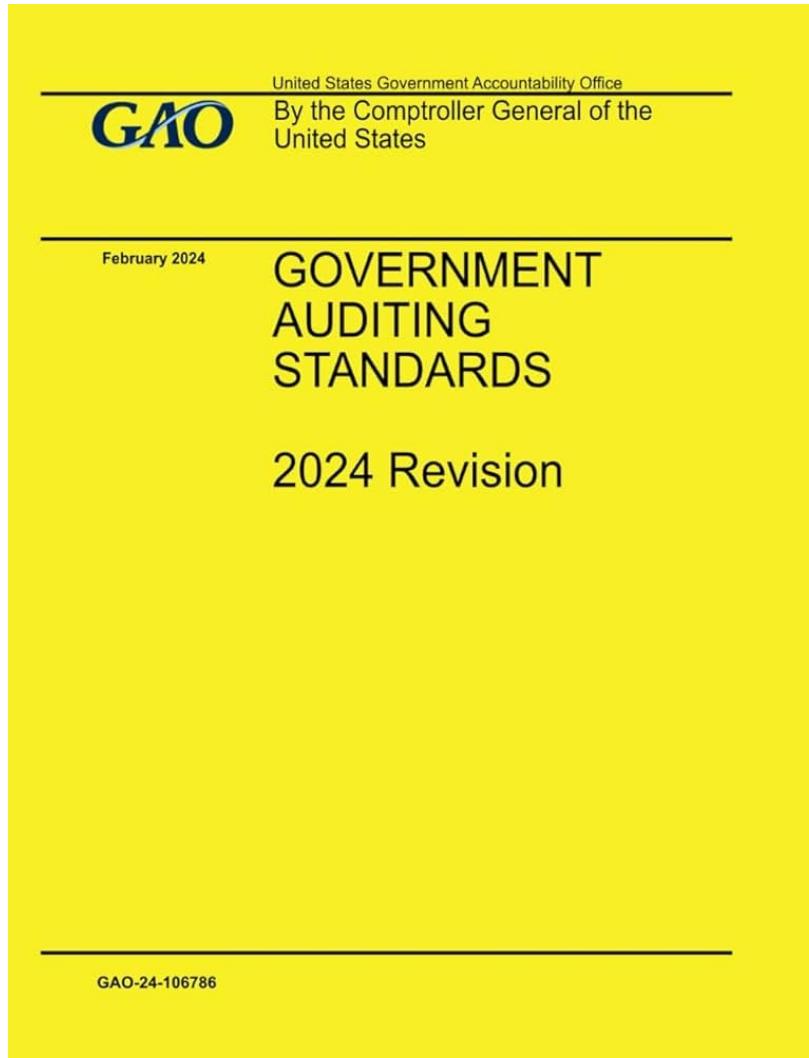
Office of the County Internal Auditor

2025 Quality Review



February 13, 2026

New Government Auditing Standards



Released February 1, 2024

Implementation December 15, 2025

Risk-based approach to
quality management



Quality Management

Risk-based approach

Risks to these objectives

- Governance and leadership
- Independence, legal, and ethical requirements
- Acceptance, initiation, and continuance of engagements
- Engagement Performance
- Resources
- Information and communication



Design a system to mitigate for risks identified



System of Quality Management



Annual independence and compliance statements



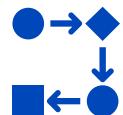
Procedures for adopting an audit plan



Minimum qualifications for staff



Procedures to document continuing professional education



Policies and procedures for conducting audits



Indexing report to evidence and second review



System of Quality Management

-  Engagement checklist for each audit
-  Review by County Internal Auditor annually
-  Outside peer review every three years



2025 Quality Review Results

Internal policies and procedures still require an annual quality review.



Systems working as intended.



Independence statements for the Sheriff's Office transition audit were incomplete due to staffing transition. All auditors were independent and independence is also verified in the Audit Plan document.



Risk Assessment (example)

The audit organization demonstrates a commitment to quality through a culture that exists throughout the audit organization.

Inherent Risk—**High**

Low quality reports will result in less credibility

Controls

Manual emphasizes importance of performing quality engagements; professional ethics, values, and attitudes; and the responsibility of all personnel.

Residual Risk—**Low**



Resource Needs

- Resource needs are planned for, obtained, allocated, and assigned in a manner consistent with the audit organization's commitment to quality.
- Performance Auditor position reduced to .5 FTE. Has been difficult to fill.
- See impacts on Supervision and Engagement Review
- Residual Risk—**High**



Supervision

- directing and guiding staff in performing work
- complying with standards,
- staying informed about significant problems encountered during an audit,
- reviewing work performed before a report is issued,
- providing on-the-job training

GAS 8.87



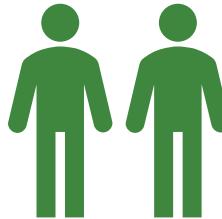
Supervision



1 person

Due to
vacancy or
leave

None
Rely on
experience



2 people
(or 1.5)

Some
Rely on
each other



3 people

Good
Dedicated
Supervisor



Engagement Review

Gold standard is an **Engagement Review**.

A person not involved in the audit checks all facts and conclusions for sufficient and appropriate evidence. In large audit shops, a team may be dedicated solely to engagement review.

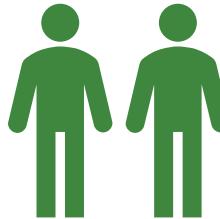


Engagement Review



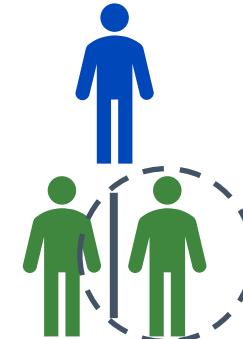
1 person
Due to
vacancy or
leave

Self review



2 people
(or 1.5)

Second
review. Not
independent



3 people

Independent
review
possible

